

TELEPHONE ASSOCIATION OF MAINE
PROPOSED AMENDMENT TO THE CONNECTME AUTHORITY RULE

Section 1. Strike Section 6 in its entirety and replace with the following text:

§ 6 ConnectME Authority Support

 A. Eligible Areas. The Authority will only fund projects which are located within an unserved or underserved area as defined in Section 5 of this Rule. For projects which cover both served areas and areas which are either unserved or underserved, as defined by the Authority, a minimum of 80% of the total geographic coverage the project must be within unserved or underserved areas.

 B. Eligible Projects.

 1. Projects which may be funded by the Authority must be undertaken on behalf of, in partnership with, or in support of one or more communication service providers that are remitting assessments to the Authority under 35-A MRSA §9211.

 2. The Authority may only fund projects that:

 a. Expand the availability of broadband to residential and small business customers in unserved or underserved areas;

 b. Expand the availability of broadband with bandwidth, synchronicity, reliability and security adequate to serve business, education and enterprise consumers in unserved and underserved areas; or

 c. Otherwise enhance the State's communications technology infrastructure in unserved and underserved areas.

 C. Process for Obtaining Authority Support

 1. Bona Fide Request Process. The Bona Fide Request (BFR) process is designed to allow communities in eligible areas to petition for broadband service using the following process:

 a. 50 customers residing in an eligible area, or 20% of the total number of customers in the municipality which encompasses the eligible area, whichever is less, may submit to the Authority a BFR for broadband service within their area.

 b. The requesting customers must each commit to taking a minimum of 1 year of service at rates not to exceed 150% of the statewide average rate for broadband service.

c. The Authority, upon receipt of a BFR from an eligible area, shall transmit the request to all eligible communications service providers currently operating within the municipality encompassing the eligible area. Providers receiving the BFR from the Authority must respond within 30 days to indicate whether they will or will not offer broadband service at rates equal to or less than 150% of the average statewide rate for broadband service to at least 75% of the customers within the eligible area within one year of the date of the provider's response to the Authority.

i. Any communications service provider that agrees to offer service within one year as set forth above must commence operations on the project within 45 days of responding to the Authority.

ii. Any communications service provider that agrees to offer service within one year as set forth above that fails to complete such project within the one year period is not eligible to receive future BFRs under subsection (C)(1)(c) above for any area in which the provider offers communications services.

d. If no communications service provider agrees to offer service pursuant to subsection (C)(1)(c), the Authority shall send the BFR to all communications service providers in the State and request bids for providing service in the requesting area.

i. Bids shall be requested in the form of the monthly rate per customer, a description of the geographic territory the bidder's service will cover including a showing of the percentage of the requesting area that will be covered by the bidder's service, and the proposed completion date after which service will be available to customers within the requesting area.

ii. Service providers seeking to bid on the BFR shall submit the bid to the Authority within 30 days of the Authority sending out the BFR for bids. Service providers bidding on the BFR must include the monthly price per customer for the first year, plus a commitment that the monthly rate in all future years will be at or below 150% of the statewide average for broadband service.

iii. The Authority shall evaluate the bids using the following formula:

A. Monthly rate shall be evaluated with a maximum score of 60 points going to bidder with the lowest monthly rate. All other bidders shall receive points based on their relative rate per month in comparison with the bidder with the lowest monthly rate.

B. Percentage of the requesting area to be served by the bidder shall be evaluated with each bidder receiving 1 point for every 5% increment of the requesting area which will be served, with 100% coverage receiving 20

points. Bids that do not include coverage for at least 75% of the requested area shall be disqualified and may not be judged to be the winning bidder.

C. Time frame for completion of service shall be evaluated with a maximum of 20 points to the bidder with the shortest completion time. All other bidders shall receive points based on their relative time frame for completion in comparison with the bidder with the shortest time frame for completion.

iv. The Authority shall enter into an agreement with the winning bidder which shall incorporate the following:

A. The winning bidder shall offer broadband service to any and all residential and business customers within the geographic territory set forth in the winning bid at a rate not to exceed 150% of the statewide average for broadband service.

B. For the first 12 months after the initial proposed completion date contained in the winning bid, for each customer taking the service, the Authority shall compensate the winning bidder the difference between the monthly rate set forth in the winning bid and 150% of the statewide average for broadband service.

C. After the 12 month period set forth in subsection (C)(1)(c)(iv)(B), the winning bidder must establish at least one rate for broadband service that is offered to all residential and business customers within the geographic territory contained in the winning bid at a monthly rate that is at or below 150% of the statewide average rate.

2. Targeted Projects

a. Any communications service provider remitting assessments to the Authority pursuant to 35-A MRSA §9211 may propose a targeted project to provide broadband service or otherwise enhance the communications service infrastructure in a specific unserved or underserved area. The proposed targeted project:

i. Must cover a geographic territory of which at least 80% qualifies as an eligible area;

ii. Must result in a communications service offering which will be made available to at least 75% of the households and businesses within the municipality which encompasses the eligible area;

iii. Must include sufficient infrastructure installation and offerings to render the targeted geographic area no longer unserved or underserved;

iv. Must result in communications service offerings which will be made available on a non-discriminatory basis to all residential and business customers within the targeted geographic area;

v. Must request no more than \$100,000 from the Authority; and

vi. Must include matching funding amounts at least equal to the amount of funding being requested from the Authority.

b. Upon receipt of a proposed targeted project, the Authority shall contact any eligible communications service provider currently offering service in the targeted unserved or underserved area. Providers contacted by the Authority must respond within 30 days to indicate whether they will or will not offer communications services which will render the targeted eligible area no longer unserved or underserved within one year of the date of the provider's response to the Authority.

i. Any communications service provider that agrees to offer service within one year as set forth above must commence operations on the project within 45 days of responding to the Authority.

ii. Any communications service provider that agrees to offer service within one year as set forth above that fails to complete such project within the one year period is not eligible to be contacted under subsection (C)(2)(b) above for any area in which the provider offers communications services.

c. If no communications service provider agrees to offer service pursuant to subsection (C)(2)(b), the Authority shall evaluate the merits of the targeted project based on:

i. The projected cost to the Authority of the project;

ii. The number of unserved or underserved customers who will receive affordable communications services that were previously unavailable; and

iii. The level of community interest within the targeted area in subscribing to the communications services which will be made available through the project.

d. If the Authority finds that the targeted process is appropriate to fund, the Authority shall enter into an agreement with the communications service provider proposing the targeted project to fund the project in an amount not to exceed \$100,000 or the amount of matching funds set forth the proposal, whichever is less.